

Practice Before the Commission

The Adjudication Division is comprised of the Data Center and the Regulatory Law Judges. The Division Director is both the Secretary of the PSC and the Chief Judge. The Secretary is statutorily responsible for the records of the PSC and is specifically called upon to superintend the issuance of all PSC orders.

The Data Center is responsible for maintaining a complete and accurate record of every case which comes before the PSC. This department receives thousands of documents per month, each one of which must be reviewed, distributed and maintained in the permanent case file. The Data Center also issues hundreds of formal orders each month.

The Chief Judge is the Division Director of the Adjudication Division and acts as the Chief Judge of the eight-judge panel. The Judges receive training at the National Judicial College for procedural skills specific to the PSC and also at various utility seminars and conferences for substantive training in the disciplines of economics, accounting and engineering as they relate to the regulated utilities. The Chief Judge assigns newly filed cases to the other Judges on a rotational basis and, thereafter, the individual judge is responsible for supervising that particular case and coordinating the procedures with the Commissioners.

The Judge prepares and issues preliminary orders to provide notice and procedural due process so that all parties have the opportunity for a full, fair and impartial hearing. The primary concern for the Judge is to ensure a complete and competent record is compiled upon which the PSC may base its decision. It is the duty of the Judge to take the case from initial assignment all the way through to the post-hearing briefs and preparation of a final order reflecting the Commission's findings of fact and conclusions of law.

The Rate Making Process

Before a regulated electric or natural gas utility can change a rate or service, it must first file that request with the Missouri Public Service Commission.

For telecommunications providers, recent state and federal laws have had an impact on how they are regulated. The largest basic local telephone company providers in Missouri are under price cap regulation



The Judges meet each week to discuss the docket and to ensure consistent treatment and prompt resolution of all cases pending before the Commission.

meaning they do not have to file a traditional rate case with the Commission to adjust rates either up or down. Special rules apply for water and sewer companies with less than 8,000 customers in Missouri. They can pursue changes in rates without the necessity of filing a formal rate case (through an informal rate case procedure). Water and sewer companies with over 8,000 customers are subject to filing a traditional rate case. Under the traditional (formal) rate case filing, the company must provide a clear statement of what it is requesting, the effect the proposed change will have on company revenue, and the reasons for the change. The PSC does not regulate the rates of municipal electric, gas, or water and sewer systems, rural electric cooperatives, public water supply districts or public sewer districts, wireless telephones or cable television.

Procedural Schedule

When a regulated Missouri utility files for a rate increase, the Commission will set a procedural schedule, including hearing dates, for the case. By law, the Commission has 11 months from the date the case is filed to make a decision on the proposal.

Because the issues are complex, the Commission will suspend the proposed rates to allow for a thorough investigation. Existing rates remain in effect during the suspension period.

Typically, the Commission determines that the proposal is justified only in part, and it may allow the

company to increase rates less than the utility requested. The Commission may also allow a rate change to take effect on an interim basis, subject to refund. The Commission also hears rate decrease cases where it may consider lowering rates.

Prior to any hearings, the PSC Staff will conduct an independent on-site, thorough investigation into the company's books and records. This permits the Staff to provide the Commission with a recommendation in the case.

Other parties, such as the Office of Public Counsel, consumer groups, or industrial customers may also submit recommendations as to what type of rate change, if any, should be granted. Parties in a rate case meet in a pre-hearing conference to discuss issues in the case. This procedure may help parties reach agreements which settle all or some issues.

This frequently results in cases being concluded sooner than the 11-month time period provided by law. The Commission must approve any proposed settlement to ensure that the agreement is reasonable and in the public interest.

The Hearing Process

Formal evidentiary hearings are held for which testimony is prepared, exhibits are marked, and a court reporter records all proceedings and live testimony. Testimony must address the issues in the case.

The utility company will have an attorney and expert witnesses present to testify and answer questions. In most cases, the utility, the PSC Staff, Public Counsel and any intervenors will present testimony in writing, followed by cross-examination.

In some cases, the Commission will hold a local public hearing, giving customers an opportunity to

express their opinions. Local public hearings are generally held in communities affected by the proposal.

After the hearings are complete, a transcript of the case is prepared and parties file briefs. Commissioners review that record in making their decision.

The Decision

The Commission will only authorize rate increases that are fair and reasonable. The company must be allowed the opportunity to make enough money to meet reasonable expenses, pay interest on debts, and provide a reasonable return to stockholders.

Once a decision has been reached, the Commission will announce that decision through a written report and order. That order is subject to appeal to a court by any of the participants in the case, except the Public Service Commission Staff.

Mediation Process

The Adjudication Division has developed a mediation process whereby parties may refer complaint cases to a third-party neutral mediator. This service is offered, at no cost, by the Alternative Dispute Resolution Center at the University of Missouri-Columbia School of Law.

The mediation process is voluntary, and cases are resolved when both parties come to a mutual agreement. This process does not require legal counsel and should be less expensive, less adversarial, less formal, less time-consuming and more personal than a formal evidentiary hearing before the full PSC.

Mediations are confidential, and settlement offers as well as other disclosures made during a mediation session are not admissible at a later hearing or trial.